N O T E

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MARKET RESEARCH

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There are two main activities in the market research process: market surveillance and market investigation. Market surveillance is an ongoing process, while market investigation is a more formal and focused effort.

Market Surveillance is a continuous effort to keep abreast of technology and product development. Market surveillance activities include:

- Attending trade shows, technical meetings, professional society conventions
- Consulting technical publications, the internet or existing DoD resources
- Obtaining product samples

Market Investigation involves in-depth research in response to a specific need for materiel or services. Conducting market investigation requires a team approach with participation from members of the program office, contracting officers and functional experts in areas such as engineering, logistics and testing.

Under ideal conditions, the program manager establishes a market research team as part of acquisition planning. The team evaluates any existing market research or surveillance information, establishes an initial approach and determines organizational and individual responsibilities.

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Market Investigation Process

The market investigation process involves the following basic steps:

Summarize market surveillance

Normally, the first phase of market investigation is to consolidate all known information from market surveillance. The market research team reviews the information to determine the nature of available products and the number of potential sources. The team makes an initial assessment of feasibility, identifies known gaps in the current information and identifies anticipated problems or trade-offs.

Identify Sources/Gather Information

Market research activities play a critical role in requirements definition, leading to potential design alternatives. During the requirements definition stage of an acquisition, market research can help to identify possible alternatives for satisfying mission needs. With a needs statement described in terms of essential performance and functional characteristics, the marketplace can be explored to determine whether sources exist that can meet them. This type of market research will also identify industry capability in terms of current and emerging technologies and manufacturers' processes, production methods and controls – results that can make a valuable contribution to the final design requirements. Data from contractor sources, user experience, independent tests and certification agencies is very valuable during this step. Various techniques from informal telephone inquiries to comprehensive industry-wide reviews can be used to identify sources of

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Market Investigation Process

Validate Information

Although it is not necessary to examine every product, some effort must be made to validate the initial research. Some of the validation methods, which may require funding, include:

- Product test (field test)
- User interview
- Site visit

Evaluate Candidates

When evaluating candidates, it is necessary to identify trade-offs - either relax the requirement or modify the product or service. Keep in mind that in some cases, modification can increase program risk.

Document Results

Include market research results as part of the initial ORD (Operational Requirements Document) and the technical documentation file.

Continuous Process

Market research is a continuous process that even occurs during the final days of the selection process. The government frequently conducts a pre-award survey to check such things as financial, production and personnel capability within a company before making a final contract award. In addition, market research is conducted continuously to ensure that the government is getting a competitive best value product.

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Questions to ask during the market investigation process include:

- Do commercial items meet performance requirements? If not, are non-developmental items available?
- Do trade-offs or modifications make sense?
- What support services are available?
- If a commercial product, what are the terms of the warranty, buyer financing maintenance, packaging and marking…?
- How does the commercial use compare to the expected military use?
- Do you have past experience doing this type of work?
- What is your manufacturing capability?
- Who are your major suppliers?
- What do other users say?
- Are there small business opportunities?

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Market Research Information Sources

Some helpful information on market research is available on the internet.

http://akss.dau.mil/jsp/default.jsp

The AT&L (Acquisition, Technology, and Logistics) Knowledge Sharing System (AKSS) serves as the central point of access for all AT&L resources and information, and to communicate acquisition reform. AKSS is a valuable source of information about market research as well as acquisition policy. Use the search engine on the AKSS to locate information. A good resource is the Federal Acquisition Regulation Act (FAR).

www.cadv.org

Commercial Advocates Forum provides tools, lessons learned and best practices for use in conducting market research. It includes a terms and conditions database which provides standard commercial clauses for terms such as warranty, financing, changes, etc.

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Market Research Information Sources

http://www.ccr.gov

The U.S. Small Business Administration, the Department of Defense, the Office of Management and Budget and the General Services Administration have taken steps to simplify the federal contracting process by creating an integrated database of small businesses that want to do business with the government. The integration of PRO-*Net* and DOD's Central Contractor Registration (CCR) databases began January 2004 and has created one portal for entering and searching small business sources. This integration assists small businesses with marketing their goods and services to the federal government. Procuring agencies and contracting officers who relied on PRO-*Net* as the authoritative source for vendors that are certified in SBA's 8(a) Business Development program, HUBZone Empowerment Contracting Program and Small Disadvantaged Business program will now access this information through CCR. To conduct market research and confirm eligibility for SBA's procurement preference programs, users can now go to the CCR Web site and click on the "Dynamic Small Business Search" button. All of the search options and information that existed in PRO-*Net* will now be found at the CCR Dynamic Small Business Search site

http://genesis.gsfc.nasa.gov/nasa/adpmass.htm

Provides links to many Government Wide Agency Contracts that are available on-line.

Other information on market research is available in the 5000 and the FAR. Use the search engine on the AKSS website to look up these references.

FAR Part 10 – Market Research

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